

Interim report January-June 2024

April-June 2024

- Net sales increased by 31% to SEK 133m (102), organic growth amounted to 31% during the quarter
- Operating profit increased by 125% to SEK 52m (23)
- Operating margin increased by 16.3 percentage points to 38.9% (22.6)
- Cash flow from operating activities increased by SEK 20m to SEK 29m (9)
- Earnings per share, diluted, increased by 101% and amounted to SEK 1.53 (0.76)

January-June 2024

- Net sales increased by 14% to SEK 216m (190), organic growth amounted to 14%
- Operating profit increased by 70% to SEK 65m (38)
- Operating margin improved by 10.1 percentage points to 30.3% (20.2)
- Cash flow from operating activities increased by SEK 53m and amounted to SEK 20m (-33)
- Earnings per share, diluted, increased by 50% to SEK 1.96 (1.31)

The Mips Group in brief

SEKm	Apr-Jun 2024	Apr-Jun 2023	Δ%	Jan-Jun 2024	Jan-Jun 2023	Δ%	Full year 2023
Net sales	133	102	31	216	190	14	357
Gross profit	97	71	37	154	134	16	253
Gross margin, %	72.9	70.0	-	71.6	70.4	-	70.9
Operating profit (EBIT)	52	23	125	65	38	70	70
Operating margin (EBIT-margin), %	38.9	22.6	-	30.3	20.2	-	19.7
Profit for the period	40	20	102	52	34	51	64
Earnings per share basic, SEK	1.53	0.76	99	1.96	1.32	49	2.43
Earnings per share diluted, SEK	1.53	0.76	101	1.96	1.31	50	2.42
Cash flow from operating activities	29	9	224	20	-33	-	11
Dividend per share, SEK	6.00	5.50	-	6.00	5.50	-	5.50

CEO's comments

Strong quarter in a market that has started to normalize

Total net sales grew organically by 31 percent this quarter compared with the prior year. Growth was primarily driven by the more normal inventory situation we're seeing in the Sport category. We grew in all regions and categories this quarter. In the important bike sub-category, we've seen a positive growth trend since the fourth quarter of 2023, with a gradual improvement in sales. This is mainly because both the market and the inventory situations have improved, but it's also due to the launch of many new helmet models equipped with our technology.

The organic growth for the first half of the year was 14 percent, which is consistent with our expectations – a return to good organic growth once inventory levels in the bike sector normalised. We are seeing positive developments in all our categories, while the inventory issues that we, and the market generally, have been challenged by for so long are now substantially more limited. That's why our sales now better reflect actual retail sales to consumers.

The positive trend in the Motorcycle category continued this quarter, and in the Safety category we've carried out a number of exciting launches together with major brands.

Thanks to our scalable business model and the increase in net sales during the quarter, we saw an improvement in this quarter's operating profit of 125 percent, amounting to SEK 52m (23), and the operating margin therefore improved substantially to 39 percent (23). During the first six months of the year, the operating profit has increased from SEK 38m to SEK 65m, and the operating margin has improved, reaching 30 percent (20). This is despite the fact that we stuck to our long-term strategy and continued our ambitious investments in product development and marketing. The operating cash flow amounted to SEK 29m (9) in the quarter, and for the first six months of the year the cash flow was SEK 20m (-33).

Helmet category Sports – strong progress in all sub-categories this quarter

We achieved growth of 33 percent in the Sports category, and for the third quarter in a row we delivered growth in the bike sub-category. Inventory levels at both our customers and retailers have now returned to healthier levels. While not all retailers and helmet brands have fully resolved their high inventory levels yet, the problem has now become more local in terms of helmets, but some challenges still remain, primarily for other bike products. This means that for stores and brands access to capital is more limited and their desire to build up helmet inventory levels is thus also less. That's why we still believe that our sales growth this year will mainly be driven by our

customers buying products from us again, along with the fact that more helmet models are being launched with our technology.

Sales in the snow sub-category have been good during the quarter, helped by a weak comparative figure from the same quarter last year. In summary, we've seen good progress also in helmets for snow sports for the first six months of the year. Positive developments have also continued in the equestrian sub-category and we're seeing more and more consumers requesting helmets that are equipped with Mips' technology.

Helmet category Motorcycle – continued growth in the quarter and a better market

In the Motorcycle category we achieved 14 percent growth in sales in the quarter and our assessment is that the consumer market in this category will be somewhat more positive going forward. We're seeing increased demand in the on-road sub-category, while the market in the off-road sub-category is somewhat slower, affected by a more challenging inventory situation. Our targeted sales initiatives have started to have an impact and more helmets equipped with Mips' technology are being launched in the market, which is driving growth despite the challenged underlying market. Our focus going forward is to continue driving consumer sell-through with our customers.

We held our first Safety Symposium this quarter, in collaboration with the sector organisations MXGP and FIM that sanction all world championships in motor sports. More than 60 percent of all riders that place in the top ten in world championships use helmets equipped with Mips' technology. Knowledge of Mips is thus constantly growing and we are experiencing a lot of interest and curiosity in Mips as an organisation, from the media and from the sector more broadly. This is an important platform for us to be able to continue our global efforts to increase awareness about the harmful effects of rotational motion.

Helmet category Safety – new helmets launched and a solid platform for continued growth

In the Safety category we have kept up the good pace in terms of launching new partnerships and new helmet models with these customers. In April we launched our forestry partnership with the highly reputable Husqvarna brand, and in May the first helmet equipped with Mips' technology was launched in collaboration with the leading global brand MSA. Even though sales volumes have been slightly slower than we would have liked, our assessment is that there will be an escalation in sales this autumn and we therefore remain positive about prospects for this category.

Recovery is in line with our expectations, and we're confident about the rest of the year

This quarter developed as we expected and I'm happy that all of our sub-categories grew during the quarter, despite a challenging consumer market. Our customers are still showing a great deal of interest in developing new helmets equipped with Mips' safety system in all three categories, and we completed the highest ever number of helmets developed with our technology this quarter.

We remain convinced that we have the right long-term strategy, with a major focus on innovation and steadily building a well-recognized ingredient brand that makes us an essential partner to the helmet sector. This strategy will also support our long-term plan going forward and our journey towards achieving our financial targets.

Stockholm, July 2024

Max Strandwitz
President and CEO



"Strong quarter in a market that has started to normalize"

Financial performance

April – June

Net sales

Net sales for the second quarter amounted to SEK 133m (102), an increase of 31 percent. Adjusted for exchange rate effects, the organic development increased by 31 percent. The increase in net sales is mainly explained by the development in the bike sub-category within Sports and in the snow sub-category which faced weak comparative figures.

Changes in net sales

%	Apr-Jun 2024	Jan-Jun 2024
Organic growth	31	14
Change in exchange rates	0	0
Total	31	14

Gross profit

Gross profit increased by 37 percent to SEK 97m (71). The gross margin amounted to 72.9 percent (70.0) where the increase in the gross margin mainly is explained by lower share of fixed costs as an effect of increase in net sales and product mix effect.

Operating profit (EBIT)

Operating profit increased by 125 percent to SEK 52m (23), corresponding to an operating margin of 38.9 percent (22.6). The increase in operating profit is mainly explained by increased sales.

Selling expenses amounted to SEK 19m (20). Administrative expenses amounted to SEK 16m (16) during the quarter. Research and development costs amounted to SEK 10m (10).

Profit for the period and earnings per share

Profit before tax amounted to SEK 52m (26). Tax expenses for the quarter amounted to SEK -11m (-6), corresponding to an effective tax rate of 22.0 percent (22.1). Profit for the period was SEK 40m (20). Diluted earnings per share amounted to SEK 1.53 (0.76).

Cash flow

Cash flow from operating activities amounted to SEK 29m (9). The change is mainly explained by increased earnings.

Cash flow from investing activities was SEK -2m (-2). Cash flow from financing activities was SEK -160m (-138) attributable to dividend payment of SEK -159m (-144) and previous year exercising of warrants under the warrant-based incentive programs of SEK 8m.

Cash flow for the period amounted to SEK -133m (-131).

January – June

Net sales

Net sales for the first six months amounted to SEK 216m (190), an increase by 14 percent. Adjusted for exchange rate effects, the organic development was 14 percent. The increase in net sales is mainly explained by higher sales within the bike sub-category.

Gross profit

Gross profit increased by 16 percent to SEK 154m (134). The gross margin amounted to 71.6 percent (70.4) where the increase mainly is explained by lower share of fixed costs as an effect of increase in net sales.

Operating profit (EBIT)

Operating profit increased to SEK 65m (38), corresponding to an operating margin of 30.3 percent (20.2). The increase in operating profit is mainly explained by increased sales during the first six months and lower negative exchange rate effects in other operating costs.

Selling expenses amounted to SEK 39m (38). Administrative expenses amounted to SEK 31m (32). Research and development costs amounted to SEK 19m (18).

Profit for the period and earnings per share

Profit before tax amounted to SEK 67m (44). Tax expenses for the first six months amounted to SEK -15m (-10), corresponding to an effective tax rate of 22.3 percent (22.2). Profit for the period was SEK 52m (34). Diluted earnings per share amounted to SEK 1.96 (1.31).

Cash flow

Cash flow from operating activities amounted to SEK 20m (-33). The increase is mainly explained by increased payment of income tax previous year and increased earnings this year.

Cash flow from investing activities was SEK -4m (-4). Cash flow from financing activities was SEK -159m (-139) attributable to dividend payment of SEK -159m (-144) and previous year exercising of warrants under the warrant-based incentive programs of SEK 8m. Cash flow for the period amounted to SEK -143m (-176).

Financial position

The Group's total assets as of 30 June 2024 amounted to SEK 647m (617).

Non-current assets as of 30 June 2024 amounted to SEK 169m (99), where the increase is mainly attributable to the investment in the associated company Quin in August 2023. Short-term investments of SEK 0m (237) were previous year in their entirety invested in interest-bearing funds. The equity ratio was 85 percent (85). Cash and cash equivalents, including short-term investments, as of 30 June 2024 amounted to SEK 266m (356).

Reported values for assets and liabilities are in all material aspects consistent with fair market value. In order to reduce the Group's short-term currency exposure, certain currency derivatives have previously been entered into with a bank. The remaining derivatives, which will be completed in October 2024, are valued at fair market value, amounting net to a financial asset of SEK 1m as of 30 June 2024, compared to a net financial liability of SEK 6m in the previous year. Hedge accounting is applied, whereby the unrealized change in the fair value of the derivatives is primarily reported in Other comprehensive income.

Investments

During the second quarter, investments having an impact on the cash flow amounted to SEK 2m (2). Investments in intangible fixed assets amounted to SEK 1m (1). Investments in tangible fixed assets amounted to SEK 1m (1).

During the first six months, investments amounted to SEK 4m (4). Investments in intangible assets amounted to SEK 2m (3) mainly

related to acquisition of patent rights and some other intangible assets. Investments in tangible assets amounted to SEK 2m (1).

The Group had no significant commitments as of 30 June 2024 related to investments.

Parent company

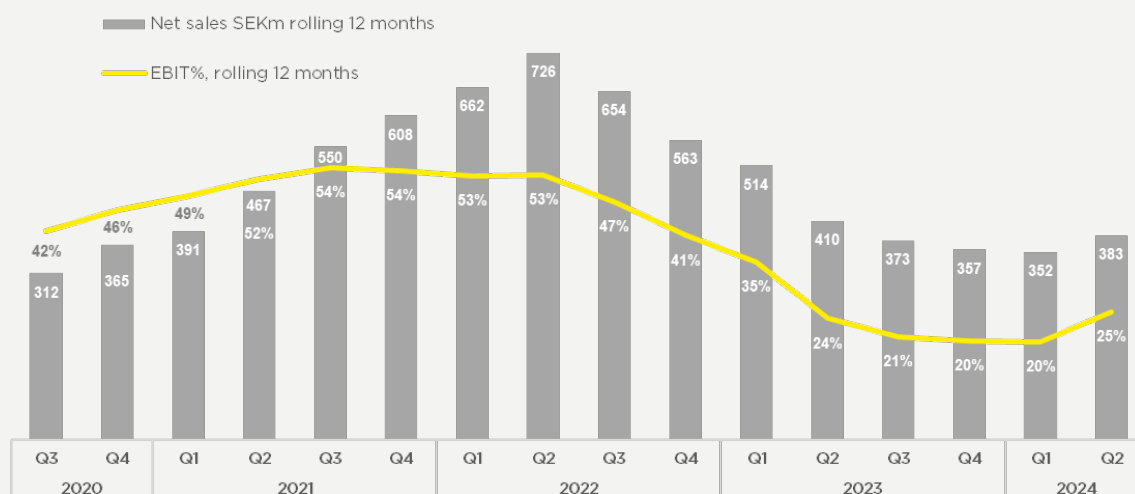
Net sales for the first six months for the parent company amounted to SEK 153m (135). Profit for the same period was SEK 43m (28).

Cash and cash equivalents, including short-term investments, as of 30 June 2024 amounted to SEK 217m (303).

Employees

The average number of employees during the second quarter was 100 (99), of whom 24 (24) were employed in the Chinese subsidiary. The number of employees at the end of the period was 104 (108), of whom 24 (24) were employed in the Chinese subsidiary. The number of men employed was 56 and number of women employed was 48 at the end of the period.

SEKm



* For information and derivation of adjusted items, please see pages 16-17.



Condensed consolidated income statement

SEKm	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Net sales	133	102	216	190	357
Cost of goods sold	-36	-31	-61	-56	-104
Gross profit	97	71	154	134	253
Selling expenses	-19	-20	-39	-38	-74
Administrative expenses	-16	-16	-31	-32	-59
Research and development expenses	-10	-10	-19	-18	-35
Other operating income and expenses	0	-2	0	-8	-15
Operating profit/loss	52	23	65	38	70
Financial income and expenses	0	3	1	6	14
Net financial items	0	3	1	6	14
Profit/loss before tax	52	26	67	44	84
Income taxes	-11	-6	-15	-10	-20
Profit/loss for the period	40	20	52	34	64
Earnings per share basic, SEK	1.53	0.76	1.96	1.32	2.43
Earnings per share diluted, SEK	1.53	0.76	1.96	1.31	2.42
Average number of shares for the period, basic (thousand)	26,491	26,186	26,491	26,185	26,277
Average number of shares for the period, diluted (thousand)	26,492	26,401	26,491	26,371	26,398

Condensed consolidated statement of comprehensive income

SEKm	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Profit/loss for the period	40	20	52	34	64
Other comprehensive income					
Items that may subsequently be transferred to profit or loss					
Foreign currency translation	-1	-1	2	0	-4
Changes in the fair value of cash flow hedges	-1	-3	-4	2	10
Tax on components in other comprehensive income	0	1	1	0	-2
Items that cannot be transferred to profit or loss	-	-	-	-	-
Other comprehensive income for the period	-1	-3	-1	1	4
Comprehensive income for the period	39	17	51	35	68

Condensed consolidated balance sheet

SEKm	30 Jun 2024	30 Jun 2023	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets	69	71	71
Property, plant and equipment	9	12	10
Right-of-use assets	12	16	15
Participations in associated companies	78	-	80
Other long term receivables	0	0	0
Total non-current assets	169	99	176
Current assets			
Inventories	7	4	4
Accounts receivable	136	114	91
Other current receivables	69	44	59
Current investments	0	237	183
Cash and cash equivalents	266	119	225
Total current assets	478	517	562
TOTAL ASSETS	647	617	738
EQUITY AND LIABILITIES			
Equity			
Share capital	3	3	3
Other paid in capital	383	281	381
Reserves	4	3	6
Retained earnings incl profit/loss for the period	161	238	268
Total equity	551	525	657
Non-current liabilities			
Lease liability	7	11	9
Other liabilities	10	10	9
Deferred tax liability	5	3	7
Total non-current liabilities	21	23	25
Current liabilities			
Lease liability	5	5	5
Accounts payable	46	32	30
Other liabilities	24	32	20
Total current liabilities	75	68	56
TOTAL EQUITY AND LIABILITIES	647	617	738

Condensed consolidated statement of changes in equity

SEKm	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
Opening equity for the period	657	626	626
<i>Comprehensive income for the period</i>			
Profit/loss for the period	52	34	64
Other comprehensive income for the period	-1	1	4
Comprehensive income for the period	51	35	68
<i>Transactions with owners</i>			
Premium on issue of warrants	3	-	4
Equity settled share based payments	-	0	0
New share issues	-	8	103
Dividend	-159	-144	-144
Total transactions with the owners	-156	-136	-37
Closing equity for the period	551	525	657

Consolidated statement of cash flows

SEKm	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Operating activities					
Profit before tax	52	26	67	44	84
Adjustment for non-cash items	5	2	9	6	17
Income taxes paid	-14	-18	-29	-77	-98
Cash flow from operating activities before change in working capital	43	10	48	-26	4
Cash flow from changes in working capital					
Increase (-)/decrease (+) of inventories	-3	0	-3	2	2
Increase (-)/decrease (+) of current receivables	-30	-3	-44	-10	11
Increase (+)/decrease (-) of current liabilities	19	2	19	2	-6
Cash flow from operating activities	29	9	20	-33	11
Investing activities					
Acquisition of intangible assets	-1	-1	-2	-3	-7
Acquisition of property, plant and equipment	-1	-1	-2	-1	-2
Gain on sale of property, plant and equipment	-	0	-	0	0
Investments in associated companies	-	-	-	-	-80
Cash flow from investing activities	-2	-2	-4	-4	-89
Financing activities					
New share issues	-	8	-	8	103
Premium received from issue of warrants	-	-	3	-	4
Paid dividend	-159	-144	-159	-144	-144
Amortization of lease debt	-1	-1	-3	-3	-5
Cash flow from financing activities	-160	-138	-159	-139	-42
Net change in cash & cash equivalents	-133	-131	-143	-176	-121
Cash & cash equivalents at beginning of period	400	487	408	532	532
Exchange-rate difference, cash and cash equivalents	-1	0	2	0	-4
Cash & cash equivalents at end of period	266	356	266	356	408

Condensed parent company income statement

SEKm	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Net sales	94	72	153	135	254
Cost of goods sold	-8	-7	-15	-13	-27
Gross profit	86	65	138	122	227
Selling expenses	-19	-20	-38	-37	-71
Administrative expenses	-16	-16	-30	-32	-58
Research and development expenses	-9	-9	-19	-17	-34
Other operating income and expenses	0	-2	2	-8	-15
Operating profit/loss	43	18	53	29	49
Financial income and expenses	0	3	2	6	33
Profit after financial items	43	21	55	35	82
Appropriations	-	-	-	-	-5
Appropriations	-	-	-	-	-5
Profit/loss before tax	43	21	55	35	77
Income taxes	-9	-4	-11	-8	-14
Profit/loss for the period	34	16	43	28	63

Condensed parent company statement of comprehensive income

SEKm	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Profit/loss for the period	34	16	43	28	63
Other comprehensive income					
Items that may subsequently be transferred to profit or loss					
Changes in the fair value of cash flow hedges	-1	-3	-4	2	10
Tax on components in other comprehensive income	0	1	1	0	-2
Items that cannot be transferred to profit or loss	-	-	-	-	-
Other comprehensive income for the period	-1	-3	-3	1	8
Comprehensive income for the period	33	14	40	29	71

Condensed parent company balance sheet

SEKm	30 Jun 2024	30 Jun 2023	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets	69	71	71
Property, plant and equipment	8	11	10
Participations in Group companies	1	1	1
Participations in associated companies	80	-	80
Other financial assets	1	2	-
Total non-current assets	159	85	161
Current assets			
Inventories	0	-	-
Accounts receivable	85	74	62
Other current receivables	66	39	55
Current investments	0	237	183
Cash & cash equivalents	217	65	180
Total current assets	368	416	480
TOTAL ASSETS	527	501	641
EQUITY AND LIABILITIES			
Equity			
Restricted equity	4	4	4
Non restricted equity	456	432	573
Total equity	461	436	577
Untaxed reserves	26	21	26
Total untaxed reserves	26	21	26
<i>Non-current liabilities</i>			
Other liabilities	10	10	9
Deferred tax liability	-	-	2
Total non-current liabilities	10	10	11
Current liabilities			
Accounts payable	12	12	12
Other current liabilities	18	21	14
Total current liabilities	30	34	26
TOTAL EQUITY AND LIABILITIES	527	501	641

Other information

Information about the parent company

Mips AB (publ), corp. reg. no. 556609-0162, is a Swedish public company with its registered office in Stockholm, Sweden. The company's shares are listed on Nasdaq Stockholm Large Cap under the ticker MIPS.

Accounting policies

The consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretative statements by the IFRS Interpretations Committee (IFRIC) as adopted by the European Commission for use in the EU that were presented in the Group's 2023 Annual and Sustainability report. The standards and interpretative statements applied were in effect as of 1 January 2024 and had been adopted by the EU. Changed accounting policies as of 1 January 2024 is described below. Furthermore, the Swedish Sustainability and Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has been applied. This interim report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting and the applicable provisions of the Annual Accounts Act and the Securities Market Act. The interim report for the parent company has been prepared in accordance with the Annual Accounts Act and the Swedish Sustainability and Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. Disclosures in accordance with IAS 34.16A are incorporated in the financial statements and their accompanying notes as well as in other parts of this interim report.

New accounting standards from 1 January 2024

The new or amended IFRS effective as of 2024 have not had any significant impact on the Group's financial statements.

Valuation basis applied when preparing the financial statements

Assets and liabilities are recognized at historical cost, except for currency derivatives and short-term investments which are based on fair value.

Functional currency and presentation currency

The parent company's functional currency is Swedish kronor (SEK), which is also the reporting currency for the Group. This means that the financial statements are presented in SEK. All amounts are, unless otherwise stated, rounded to the nearest SEKm.

Estimates in the financial statements

It is Mips' assessment that the Group does not have any assets or liabilities whose estimated reported value entails a significant risk for a material adjustment during the coming year.

Adjustments

Certain financial information presented in this report have been rounded and thus the tables do not necessarily tally.

Alternative performance measures

The company is following the European Securities and Markets Authority's (ESMA) guidelines on alternative performance measures. Alternative performance measures are financial measures that cannot be directly read in or derived from the financial statements. These financial measures are intended to help company management and investors analyze the Group's performance. Investors should not consider these alternative performance measures to be a substitute for the financial statements prepared in accordance with IFRS, but rather a supplement to them. Explanation of alternative performance measures see page 16-17. Definitions of alternative performance measures are presented in the Annual and Sustainability report and on www.mipscorp.com.

Segment

Mips' operations are managed as one segment since this reflects the Group's operations, financial monitoring and management structure.

Seasonal variations

Mips' sales are partly subject to seasonal variations. The company's net sales and EBIT have historically been weakest during the first quarter and strongest during the fourth quarter.

Risks and uncertainties

Mips is an international company and, as such, its operations can be affected by a number of risk factors in the form of both operating and financial risks. Risks related to the industry and the company include, but are not limited to, market acceptance and knowledge of both the harmful effects of rotational motion to the brain and increased competition. As an ingredient brand, Mips is also dependent upon its customers' ability to reach end-users and on end-user demand. An economic downturn or change in end-user's preferences could have a negative impact on the Group's net sales and profitability. The company is dependent on its intellectual property rights and in certain cases the protection may be inadequate, or Mips may incur significant costs to protect its intellectual property rights which could have an adverse impact on the company's operations, earnings and/or financial position. Furthermore, the company is exposed to risks related to legal processes regarding product liability issues and other types of legal issues. Even though these risks are mitigated by insurance coverage, to the extent possible, they could result in significant costs for the company.

Mips is also exposed to external factors and geopolitical uncertainty over which the company has no control, but which can have an adverse impact on future market developments. Mips has no activities in either Russia or Ukraine and the direct business exposure is very limited. Mips' financial position, earnings and cash flow have not been materially affected by Russia's invasion of Ukraine or the implemented related sanctions. For a period of time, there has been a challenge related to the

demand for Mips' products due to the challenges facing the bike market. This has adversely impacted the company's financial results. The risk of a potential impact on demand, given higher interest rate levels and lower general purchasing power among consumers, remains at an elevated level. The company still believes that long-term demand for Mips' products is robust. We see continued risks in the supply chain that could lead to insolvency among our customers. If Mips' customers become insolvent, this could have a negative impact on the Group. Mips has continuously an active dialogue with its customers to be able to identify and react on any eventual insolvency situations at an early stage. The company has not noticed any material issues with payments during the quarter with any of its customers. The company is following the development and relevant authorities' recommendations closely and are taking the measures deemed necessary to minimize the short-term and long-term impacts on Mips.

The company's executive management actively manages both operating and financial risks. The above statement applies for both the parent company and the Group.

For further information about Mips' risks and uncertainties see Mips' Annual and Sustainability report for 2023 from page 54-58.

Distribution of revenue

The company's revenue primarily comprises sales of component kits (license and components) to helmet manufacturers. Sales of services is attributable to the development of Mips' technology for a specific customer and helmet model.

Income by nature

SEKm	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
<i>Revenue recognized at the time of delivery</i>					
Sales of goods	125	96	203	180	334
<i>Revenues reported over time</i>					
Sales of services	8	6	13	10	23
Total	133	102	216	190	357

Income by region

SEKm	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
North America	72	60	119	119	207
Europe	30	24	51	45	82
Sweden	14	8	19	8	18
Asia and Australia	17	9	26	18	50
Total	133	102	216	190	357

The company's revenue is concentrated to customers in North America and Europe. The substantial concentration of sales in North America is explained by the large number of helmet manufacturers based in this geographical region. Specification by region is based on customers' domicile and not distribution. During the second quarter all regions showed positive growth. Revenues increased with 31 percent during the quarter mainly driven by North America with a positive growth of 19 percent

Income per helmet category

SEKm	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Sports	122	91	193	169	323
Motorcycle	8	7	15	14	22
Safety	4	4	8	6	12
Total	133	102	216	190	357

Mips has chosen to divide its business into three main helmet categories. Thus, the company's revenues are distributed over these helmet categories. Revenues for the second quarter in Sports increased by 33 percent. In Motorcycle revenues increased by 14 percent and in Safety revenues increased by 10 percent.

Currency exposure

Mips invoices its customers in two foreign currencies, USD and CNY.

The company's license fee, which represents the majority of the company's revenues, is invoiced in USD and fluctuations in the exchange rate have a significant impact on Mips' net sales and profitability. A 10 percent change in the USD exchange rate would impact EBIT with approximately +/- SEK 23m (37) on the full-year figures for 2023. During 2024 the company will discontinue with hedging arrangements. The company will phase out the existing hedges and no new hedges will be implemented. Current hedges will be completed in October 2024. From 2025, the strategy is that fluctuations in exchange rates will fully affect the income statement. Most of the company's sales of components are in China and are invoiced in CNY. However, since the company has both revenues and costs related to components in CNY, the exposure to the CNY exchange rate is relatively limited. For further information, see the company's Annual and Sustainability report for 2023 page 78.

Derivatives, short-term investments and non-current liabilities

The fair value of the derivatives as of 30 June 2024 amounted to a net financial asset of SEK 1m, compared to a net financial liability of SEK 6m in the previous year. Hedge accounting has been applied whereby the unrealized change in fair value of the outstanding derivatives is primarily recognized in Other comprehensive income. Financial instruments (derivatives) are valued at fair value on the balance sheet and belongs to level 2 and short-term investments belongs to level 1 according to IFRS 13. The fair value of short-term investments as of 30 June 2024 amounts to SEK 0m (237). As of 30 June 2024, Mips had a non-current liability amounting to SEK 10m (10) regarding contingent additional purchase consideration related to the acquisition of patent rights and certain other intangible assets valued at accrued acquisition value.

Other information/Investments in associated companies

During 2023, Mips AB has entered into an agreement to acquire 25 percent of the sensor technology company Quintessential Design, Inc. ("Quin"). Quin is an associated company to Mips and are reported by use of the equity method. During the quarter a profit share of approximately SEK -1m has been reported on the line Other operating income and expenses in the income statement.

Share capital and number of shares

As of 30 June 2024, the total registered number of shares amounted to 26,493,273 (26,206,280) and the share capital amounted to SEK 2,649,327 (2,620,628). All shares are ordinary shares and carry equal voting rights. The shares have a nominal value of SEK 0.10.

As of 30 June 2024, the company's holdings of own shares amounted to 2,151 shares, which corresponds to less than 0.1 percent of the total number of registered shares. The number of outstanding shares as of 30 June 2024 was 26,491,122.

Share-based incentive programs

At the Annual General Meeting 2023, it was resolved to approve three long term incentive programs, Warrant program 2023/2026, Warrant program 2024/2027 and Warrant program 2025/2028, for the senior executives and certain key persons in Mips. The Group has three warrant programs where each warrant entitles to subscription of one new share in the company. In total, 429,000 warrants have been issued divided upon a maximum of 143,000 warrants per program. In the 2023/2026 program, which was launched during the fourth quarter 2023, 82,100 warrants were allocated to the participants and in the program 2024/2027, which was launched during the first quarter 2024, 46,070 warrants were allocated to the participants. The total number of issued warrants of 429,000 can lead to a dilution of approximately 1.6 percent. The subscription price in the first program amounts to SEK 396.27 per Mips share and in the second program it amounts to 388.25 SEK per Mips share.

The company has no other costs for the warrant programs other than administrative costs regarding advisors etc. in connection with the preparation of the documentation and the resolution to issue the warrants etc.

Disputes

The company is not part of any significant legal dispute.

Related-party transactions

No material related-party transactions have been conducted during 2024 except payment of dividend.

Events after the end of the reporting period

No significant events have occurred after the end of the reporting period.

The Board of Directors and the President and CEO affirm that this interim report provides a true and fair view of the Parent Company's and the Group's position and earnings, and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, 18 July 2024

Magnus Welanders
Chairman of the Board

Thomas Bräutigam
Board member

Maria Hedengren
Board member

Anna Hällöv
Board member

Jonas Rahmn
Board member

Jenny Rosberg
Board member

Max Strandwitz
President and CEO

Auditors report

This report has not been reviewed by the company's auditors.

Quarterly consolidated performance measures

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	LTM
Net sales	133	83	91	77	102	88	107	113	206	137	198	185	142	383
Net sales growth, %	31	-6	-15	-32	-51	-35	-46	-39	45	65	41	81	115	-7
Gross profit	97	57	64	56	71	62	77	78	151	99	145	136	105	274
Gross margin, %	72.9	69.4	70.2	73.1	70.0	70.8	72.3	69.0	73.4	72.5	73.0	73.3	73.8	71.6
Operating profit	52	14	17	15	23	15	24	37	107	62	104	110	72	97
Operating margin, %	38.9	16.5	18.8	19.5	22.6	17.5	22.0	32.8	51.7	45.3	52.6	59.6	50.7	25.4
Adjusted operating profit	52	14	17	15	23	15	24	37	107	62	104	110	72	97
Adjusted operating margin, %	38.9	16.5	18.8	19.5	22.6	17.5	22.0	32.8	51.7	45.3	52.6	59.6	50.7	25.4
EBITDA	57	18	22	20	28	20	29	41	110	65	107	113	75	116
EBITDA-margin, %	42.4	22.2	23.9	25.5	27.1	22.5	27.1	36.3	53.5	47.6	54.2	61.3	52.7	30.3
Depreciation/ amortization	5	5	5	5	5	4	6	4	4	3	3	3	3	19
Earnings per share basic, SEK	1.53	0.44	0.60	0.52	0.76	0.55	0.71	1.10	3.04	1.83	3.05	3.38	2.10	3.08
Earnings per share diluted, SEK	1.53	0.44	0.60	0.52	0.76	0.55	0.71	1.10	3.01	1.81	3.00	3.33	2.08	3.08
Equity ratio, %	85	89	89	89	85	88	82	76	74	80	76	78	79	85
Cash flow from operat- ing activities	29	-10	31	12	9	-42	47	97	55	37	81	71	56	63
Average number of employees	100	103	104	102	99	98	96	93	89	80	77	74	67	102

Definitions and descriptions of performance measures and alternative performance measures

- For definitions and description of performance measure and alternative performance measures, please visit www.mipscorp.com.

Explanation of alternative performance measures

Organic growth

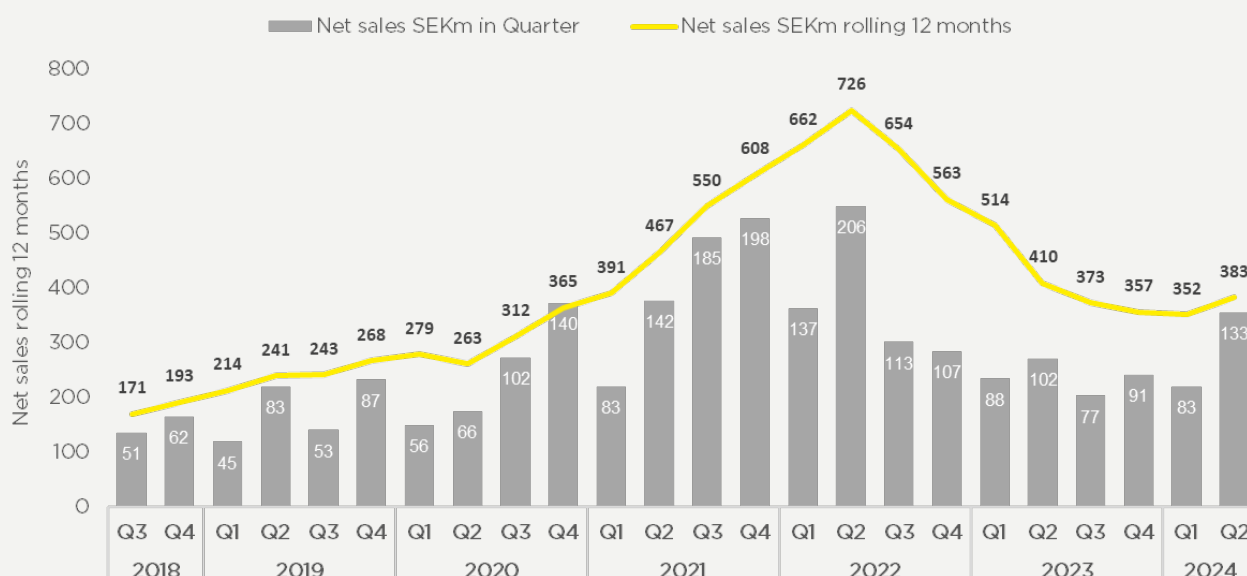
Since Mips invoices its goods and services in USD and CNY at the same time as the accounting currency is SEK, it is essential to create an understanding of how the company performs excluding currency exchange effects when recalculating sales.

This key figure is expressed in percentage points of the previous year's net sales, a high growth rate consequently leads to a greater currency impact. For net sales growth, impact of foreign currencies and acquisition related effects on net sales, see below.

	Apr-Jun 2024	Jan-Jun 2024
Organic growth		
Net sales growth	31%	14%
Net Sales in USDm	9	14
Net Sales in SEKm at 2024 average USD exchange rate	93	151
Net Sales in SEKm at 2023 average USD exchange rate	92	149
Impact currency in absolute numbers	1	2
Net Sales 2023 SEKm	102	190
USD impact on growth	1%	1%
Net Sales in CNYm	27	43
Net Sales in SEKm at 2024 average CNY exchange rate	39	63
Net Sales in SEKm at 2023 average CNY exchange rate	40	65
Impact currency in absolute numbers	-1	-2
Net Sales 2023 SEKm	102	190
CNY impact on growth	-1%	-1%
Organic growth	31%	14%

Net sales, last 12 months rolling

Given the company's historical growth momentum, it is important to continuously follow the business performance from a long-term perspective and not focus solely on specific quarterly results.



Other

For further information, please contact:

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Karin Rosenthal, CFO

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tel +46 768 34 63 66

Mips will present the interim report at an audiocast via teleconference on 18 July 2024 at 10.00 a.m. CET. To participate, please register at the webcast or telephone conference at below links:

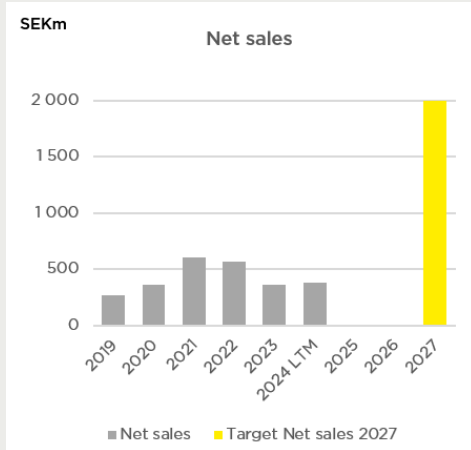
Webcast: <https://edge.media-server.com/mmc/p/kbcj7mii>

Telephone conference: <https://register.vevent.com/register/BI5890f6ecd62149489a86da9a6fb52af0>

FINANCIAL CALENDAR		2024-2025
24 October 2024:		Interim report January-September 2024
6 February 2025:		Year-end-report 2024
20 March 2025:		Annual and Sustainability report 2024
24 April 2025:		Interim report January-March 2025
7 May 2025:		Annual General Meeting

About Mips

Growth Target 2027



Profitability



Financial targets

Mips' long-term financial targets should not be viewed as a forecast but rather as an objective which the Board of Directors and senior executives believe is a reasonable long-term objective for the company.

GROWTH:

The goal is to grow organically to achieve net sales in excess of SEK 2 billion by 2027.

PROFITABILITY:

The goal is to maintain an EBIT margin of more than 50 percent.

DIVIDEND POLICY:

The target is to distribute approximately 50 percent of the Mips' annual net earnings as dividends.

Sustainability targets

Mips is a global leader in its field and also aims to be at the forefront of its industry when it comes to sustainability. You can read about Mips' sustainability work in Mips' annual and sustainability report for 2023.

Our long-term ambition includes:

SCIENCE BASED TARGETS:

Mips has committed to the Science Based Target initiative to reduce emissions to limit global warming to 1.5 degrees Celsius, in line with the Paris Agreement. This means that Mips' goal is to reduce its total emissions by 42 percent by the end of 2030, based on a base year of 2021.

UN GLOBAL COMPACT:

Mips' has committed itself, and indirectly also its manufacturing partners, to adhere to the ten principles of the UN Global Compact.

CIRCULAR PRODUCT OFFERING:

Mips uses post industrial recycled plastic in its solutions but the ambition is however to create solutions that are more sustainable still and support the climate transition.

About Mips

Mips specializes in helmet-based safety and is a world leader in this area. Based on an ingredient brand business model, Mips safety system is sold to the global helmet industry. The solution is based on over 25 years of research and development together with the Royal Institute of Technology and the Karolinska Institute, both located in Stockholm, Sweden.

Mips' headquarter with 80 employees engaged in research and development, sales and administration is in Stockholm, where its product and technology test facility is also located. Production and manufacturing operations take place at sub-contractor facilities. Mips' net sales during 2023 amounted to SEK 357m and the operating margin was 20 percent.

The Mips share is traded on the Nasdaq Stockholm stock exchange. For more information, visit <https://www.mipscorp.com>.

This information is of such nature that Mips AB (publ) is obliged to disclose it in accordance with the EU's Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out above, on 18 July 2024 at 07.30 a.m. CET.

This interim report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish interim report and the English translation, the former shall take precedence.



Mips

Safety for helmets

Mips AB

Kemistvägen 1B, SE-183 79 Täby

[Mipsprotection.com](https://mipsprotection.com)